



Desert Southwest Region

Customer Brochure

**Proposed Formula Rates for
Network Integration Transmission Service
&
Ancillary Services
Rate Order No. WAPA-175**

February 2016

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I. Introduction

The Western Area Power Administration's (Western) Desert Southwest Region (DSW) has initiated a formal process to update its formula rates for Parker-Davis Project (P-DP) and Pacific Northwest-Pacific Southwest Intertie Project (Intertie) Network Integration Transmission Service (Network) and Western Area Lower Colorado Balancing Authority (WALC) Ancillary Services. The existing rate schedules became effective October 1, 2011, under Rate Order No. WAPA-151, and will expire September 30, 2016. In addition, DSW is proposing two new rate schedules for Transmission Losses Service and Unreserved Use of Transmission Service.

Western's DSW will continue to offer Network to eligible customers, subject to the provisions in Western's OATT, from the P-DP, Intertie, and Central Arizona Project (CAP) transmission systems within WALC. The rate schedule for CAP NITS was approved under Rate Order No. WAPA-172 and became effective on January 1, 2016.

WALC will continue to offer the following seven ancillary services: 1) Scheduling, System Control, and Dispatch; 2) Reactive Supply and Voltage Control; 3) Regulation and Frequency Response; 4) Energy Imbalance; 5) Generator Imbalance; 6) Spinning Reserves; and 7) Supplemental Reserves.

Under this adjustment process, the proposed formula rates will supersede the existing formula rates. New rate schedules will be in effect from October 1, 2016, through September 30, 2021, and will be applied under Western's Open Access Transmission Tariff (OATT) and certain pre-OATT firm transmission contracts. Please note that any references made to Western's OATT throughout this document are made in accordance with the version filed on April 12, 2013.

II. PROPOSED SCHEDULE

The following is Western's schedule for implementing the proposed formula rates:

August 10, 2015	Informal Meeting held with Customers
February 3, 2016	Publication of FRN with Proposed Formula Rates (90-day consultation and comment period begins)
February 04, 2016	Notification sent with a copy of the published FRN
March 30, 2016	Public Information Forum (Phoenix, AZ) 10 a.m. MST
March 28, 2016	Public Comment Forum (Phoenix, AZ) 1:00 p.m. MST
May 3, 2016	Consultation and Comment Period Ends
September 1, 2016	Publication of FRN with Provisional Formula Rates
October 1, 2016	New Formula Rates in Effect
Fiscal Year 2017	FERC Confirms and Approves Formula Rates

III. Proposed Formula Rates for Network Service

Western's DSW will continue to offer Network to eligible customers, subject to the provisions in Western's OATT, from the P-DP, Intertie, and CAP transmission systems. This service includes the transmission of energy to points of delivery on the P-DP, Intertie, and CAP interconnected high-voltage systems, which includes transmission lines, substations, communication equipment and related facilities. The proposed formula rates only apply to Network from the P-DP and Intertie transmission systems. The formula rate for Network from the CAP transmission system was approved under Rate Order No. WAPA-172 and became effective on January 1, 2016. The formula rate for Network under CAP is identical to the formula rates for P-DP and Intertie.

The monthly charge for Network, under Rate Schedules PD-NTS3L-NT1 and INT-NTS3, is the product of the transmission customer's load-ratio share times one-twelfth (1/12) of the Annual Transmission Revenue Requirement of the appropriate transmission system. The load-ratio share is equal to the network customer's hourly load coincident with the monthly transmission system peak hour. The monthly transmission system peak hour occurs when the metered load for all network service customers is the greatest. The metered load and the transmission system load at the hour of the peak are averaged on a rolling 12-month basis (12-CP). The formula rate is as follows:

$$\text{Monthly Charge} = \text{Network Customer's Load-Ratio Share} \times \frac{\text{Annual Transmission Revenue Requirement}}{12}$$

No changes are being proposed to the formula rates for Network.

IV. Proposed Formula Rates for WALC Ancillary Services

In accordance with Western's OATT, Ancillary Services are needed with transmission service to maintain reliability inside and among the Balancing Authority Areas affected by the transmission service. Western's DSW currently provides seven ancillary services under the OATT: SSCD, VAR Support, Regulation Service, EI Service, Spinning Reserves, Supplemental Reserves and GI Operating Reserves – Spinning Reserve and Supplemental Reserve Services. The proposed formula rates for these services are designed to recover the costs incurred for providing each of the services. The formula rates are also applicable to WACM when the Control Area operator provides services as required or as requested by Transmission Service Providers.

The first two of these seven FERC-defined services, SSCD and VAR Support Service, are defined by FERC as services that the Transmission Service Provider is required to provide, or offer to arrange with the Control Area operator, and the Transmission Customer is required to purchase.

The other five FERC-defined ancillary services, Regulation Service, Energy and Generator Imbalance Services, and Operating Reserves – Spinning Reserve and Supplemental Reserve Services, are services that the Transmission Service Provider must offer when transmission service is used to serve load within the Transmission Service Provider's Control Area. The Transmission Customer must either purchase this service from the Transmission Service Provider or acquire these Ancillary Services from a third party, or by self-supply.

Scheduling, System Control, and Dispatch Service (SSCD Service)

Per Schedule 1 of Western's OATT, this service is required to schedule the movement of power through, out of, within, or into a BA Area and must be provided by the BA in which the facilities used for transmission service are located. As such, WALC will provide this service for all Transmission Customers within the WALC's Area.

The formula rate for SSCD Service, under Rate Schedule DSW-SD4, is the following:

$$\text{Charge per Schedule} = \frac{\text{Annual Cost of Scheduling Personnel and Related Costs}}{\text{Number of Schedules per Year}}$$

The numerator (revenue requirement) includes the costs of transmission scheduling personnel, facilities, equipment, software, and other related costs involved in providing the service. The denominator will continue to be the yearly total of daily tags which result in a schedule. The annual revenue requirement is divided by the number of schedules per year to derive a charge per schedule per day.

Western's DSW allocates the charge of each schedule equally among all TSPs, both Federal and non-Federal, listed on the schedules that are inside of WALC's Area. The Federal transmission segments are exempt from billing, as the costs for these segments are included in the transmission service rates.

No changes are being proposed to the formula rate for SSCD Service.

Reactive Supply and Voltage Control Service (VAR Support Service)

Per Schedule 2 of Western's OATT, this service is required to maintain transmission voltages on the TSP's facilities within acceptable limits, using generation facilities and non-generation resources capable of providing support. This service must be provided for each transaction on the transmission facilities within the BA either directly by the TSP if the TSP is the BA or indirectly by the TSP making arrangements with the BA. Transmission Customers are required to purchase this service from the TSP. If the TSP acquires the service from the BA, the charges are to reflect only a pass-through of the costs charged to the TSP by the BA.

The formula rate for VAR Support Service, under Rate Schedule DSW-RS4, is the following:

$$\text{VAR Support Service Rate} = \frac{\text{Annual Revenue Requirement for VAR Support}}{\text{Load within WALC requiring VAR Support}}$$

The numerator consists of the annual revenue requirement for generation multiplied by the percentage of resource capacity used for providing VAR Support Service. That percentage is based on the nameplate power factor (one minus the power factor) for the generating units supplying the service within WALC). The denominator is a measure of the loads in WALC that require this service. Western's DSW uses long-term reservation data and subtracts for those customers that provide VAR Support to WALC.

The rate is applicable to all transmission customers taking service under Western's OATT. No changes are being proposed to the formula rate for VAR Support Service.

Regulation and Frequency Response Service (Regulation Service)

Per Schedule 3 of Western's OATT, Regulation Service is necessary to provide for the continuous balancing of resources, generation and interchange, with load, as well as, for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered as necessary, predominantly through the use of Automatic Generating Control (AGC) equipment as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the TSP (or the BA who performs this function for the TSP). The TSP must offer this service when transmission service is used to serve load within its BA area.

Regulation Service corrects for instantaneous variations between the customers' resources and load, even if the variations net to zero over the course of an hour. Imbalance Service, outlined below, captures the hourly energy provided in correcting for these variations.

Western's DSW markets the maximum amount of power from its Federal projects, leaving little flexibility for additional regulation needs within WALC. The addition of Variable Energy Resources (VER) connecting to the power system results in a significant increase in regulation needs and costs and presents operational constraints in managing the significant fluctuations normally associated with VER. These costs are allocated to all customers taking Regulation Service regardless of their ability or inability to influence the condition.

The current Rate Schedule (DSW-FR3) has two different applications of the formula rate for Regulation Service:

1. A load-based assessment which is applicable to all load within WALC (total metered load less Federal power allocation, including behind the meter generation rating, or if available, hourly data if generation is synchronized) and the installed nameplate capacity of all intermittent resources serving load within WALC.
2. A self-provision assessment which allows entities with automatic or manual generation control to self-provide for all or a portion of their loads. Typically, entities with generation control are known as Sub-Balancing Authorities (SBA) and should meet various criteria, as listed in the rate schedule.

No changes are being proposed to the application of the Self-provision Assessment or to the Load-based Assessment on load within WALC. However, Western's DSW is proposing to modify the application of the Load-based Assessment on the installed nameplate capacity of all intermittent resources serving load within WALC by assigning

a “variable capacity multiplier” to the installed nameplate capacity for all VER, including wind and solar generators, that serve load within WALC. This change will allow the proposed formula rate to more accurately recover potential future costs based on cost causation principles.

The proposed formula rate for Regulation Service, under Rate Schedule DSW-FR4, is the following:

$$\text{Regulation Service Rate} = \frac{\text{Annual Revenue Requirement for Regulation Service}}{\begin{aligned} &\text{Load within WALC Requiring Regulation} \\ &+ \\ &(\text{Installed Nameplate Capacity of Solar Generators Serving Load} \\ &\quad \text{within WALC} \times \text{Solar Capacity Multiplier}) \\ &+ \\ &(\text{Installed Nameplate Capacity of Wind Generators Serving Load} \\ &\quad \text{within WALC} \times \text{Wind Capacity Multiplier}) \end{aligned}}$$

In order to determine the “variable capacity multipliers,” Western’s Operations for RMR, DSW and CRSP developed a “Regulation Analysis” tool that allows examination of the hourly impacts of both load and variable energy generation on WALC and determines if VER, as a group, consume a disproportionate amount of regulation and following resources when compared to load and traditional generators. The tool currently focuses on 95 percent of the events where the BA’s Area Control Error (ACE) limit was exceeded within the 10 minute duration range.

Currently, WALC does not have a significant amount of solar or wind generation impacting its BA area and, therefore, does not have sufficient data available to perform a thorough analysis using the tool at this time. Therefore, Western’s DSW proposes to assign a wind and solar capacity multiplier of 1.00 or 100%. Using a wind and solar capacity multiplier of 1.00 will not change the current denominator, but it allows the denominator to change if and when VER become more prevalent within WALC.

No changes are being proposed to the numerator of the proposed formula rate. The annual revenue requirement will continue to include the costs associated with plant-in-service, operation and maintenance, purchases of regulation products, purchases of power in support of the generating units’ ability to regulate, and purchases of transmission required to relocate energy due to regulation/load following issues.

In addition, Rate Schedule DSW-FR4 will continue to include the following alternative arrangements:

Exporting Intermittent Resource Requirement: An entity that exports the output from an intermittent generator to another BA will be required to dynamically meter or dynamically schedule that resource out of WALC to another BA unless arrangements, satisfactory to WALC, are made for that entity to acquire this service from a third party or self-supply (as outlined below). An intermittent generator is one whose output is volatile and variable due to factors beyond direct operations control and, therefore, is not dispatchable.

Self- or Third-Party Supply: WALC may allow an entity to supply some or all of its required regulation, or contract with a third party to do so, even without well-defined boundary metering. This entity must have revenue quality metering at every load and generation point, accurate as defined by NERC, to include MW flow data availability at 6-second (or smaller) intervals. WALC will evaluate the entity's metering, telecommunications, and regulating resource, as well as the required level of regulation, and determine whether the entity qualifies to self-supply under this provision. If approved, the entity is required to enter into a separate agreement with Western, which will specify the terms of the self-supply agreement.

Energy Imbalance Service (EI Service)

Per Schedule 4 of Western's OATT, EI Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the BA over a single hour. The TSP must offer this service when its transmission is used to serve load within its BA. The transmission customer must either obtain this service from the TSP or make alternative comparable arrangements to meet their obligations.

The current Rate Schedule (DSW-EI3) has a multi-tiered deviation bandwidth based on the size of deviation and whether the deviation occurs in the on-peak or off-peak hours. For on-peak hours the bandwidth structure is the following:

1. Hourly deviation of less than or equal to 1.5 percent of metered load or 4 MW (whichever is greater), either over or under delivery.
2. Hourly deviation between 1.5 to 7.5 percent of metered load or 4 to 10 MW (whichever is greater), either over or under-delivery.
3. Hourly deviation greater than 7.5 percent of metered load or 10 MW (whichever is greater), either over or under-delivery.

For off-peak hours the deviation bandwidth is 3 percent of metered load or 5 MW (whichever is greater) for under-deliveries to 7.5 percent of metered load or 2 MW (whichever is greater) for over-deliveries.

Energy imbalances within the bandwidths for on-peak and off-peak hours is settled financially at 100 percent (no penalty) of the applicable price index (Dow Jones Palo Verde). Energy imbalances outside the bandwidth during on-peak hours is settled financially as follows:

1. For deviations less than or equal to 7.5 percent of metered load or 10 MW (whichever is greater), the settlement is 110 percent for under-deliveries and 90 percent for over-deliveries.
2. For deviations greater than 7.5 percent of metered load or 10 MW (whichever is greater), the settlement is 125 percent for under-deliveries and 75 percent for over-deliveries.

Energy imbalances outside of the bandwidth during off-peak hours is settled financially at 110 percent for under-deliveries and 60 percent for over-deliveries.

Western's DSW is proposing to change the deviation bandwidth for off-peak hours. The bandwidth structure will consist of three deviation bands similar to on-peak hours. The proposed bandwidths and settlements for off-peak hours are as follows:

1. Hourly deviations of less than or equal to 1.5 percent of metered load or 4 MW (whichever is greater), either over or under delivery, will be settled at 100 percent.
2. Hourly deviations between 1.5 to 7.5 percent of metered load or 4 to 10 MW (whichever is greater), will be settled at 110 percent for under-deliveries and 75 percent for over-deliveries.
3. Hourly deviations greater than 7.5 percent of metered load or 10 MW (whichever is greater), will be settled at 125 percent for under-deliveries and 60 percent for over-deliveries

Generator Imbalance Service (GI Service)

Per Schedule 9 of Western's OATT, GI Service is provided when a difference occurs between the output of a generator located within the BA and a delivery schedule from that generator to another BA or to a load within the BA over a single hour. The TSP must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when transmission service is used to deliver energy from a generator located within its BA. The transmission customer must either obtain this service from the TSP or make alternative comparable arrangements to meet their obligations.

Western's DSW has marketed the maximum amount of power from its Federal projects, resulting in limited resources for WALC to provide additional services. Intermittent generators serving load outside WALC will be required to dynamically schedule or dynamically meter their generation to another BA unless arrangements, satisfactory to Western are made for that entity to acquire this service from a third-party.

The current Rate Schedule (DSW-GI1) is identical to that for EI Service, with the following exceptions:

1. Hourly deviations are determined as a percentage of metered generation rather than metered load
2. Intermittent generators are exempt from the outer bandwidth. All deviations greater than 1.5 percent of metered generation or 4 MW (whichever is greater) in the on-peak hours are settled at 110 percent for under-generation and 90 percent for over-generation.

Western's DSW proposes to make the same changes to the deviation bandwidth for off-peak hours, as discussed in the EI Service section.

Operating Reserves – Spinning Reserve Services (Spinning Service)

Per Schedules 5 of Western's OATT, Spinning Service is needed to serve load in the event of a system contingency. Spinning Service may be provided by generating units that are online and loaded at less than maximum output. The TSP must offer this service when the transmission is used to serve load in the BA. The transmission customer must either purchase this service from the BA, or make alternative comparable arrangements, satisfactory with the BA to satisfy its obligations.

As stated in Rate Schedule DSW-SPR3, Spinning Service will not be available from WALC on a long-term basis. If a transmission customer cannot self-supply or purchase this service from another provider, WALC may obtain the service on a pass-through cost basis at market price plus an administrative charge that covers the cost of procuring and supplying the service. The transmission customer will be responsible for the transmission needed to deliver the service purchased.

No changes are being proposed to the formula rate for Spinning Service.

Operating Reserves – Supplemental Reserve Services (Supplemental Service)

Per Schedules 6 of Western's OATT, Supplemental Service is needed to serve load in the event of a system contingency; however, it is not available immediately. Supplemental Service may be provided by generating units that can be synchronized within 10 minutes and loaded within 30 minutes. The TSP must offer this service when the transmission is used to serve load in the BA. The transmission customer must either purchase this service from the BA, or make alternative comparable arrangements, satisfactory with the BA to satisfy its obligations.

As stated in Rate Schedule DSW-SUR3, Supplemental Service will not be available from WALC on a long-term basis. If a transmission customer cannot self-supply or purchase this service from another provider, WALC may obtain the service on a pass-through cost basis at market price plus an administrative charge that covers the cost of procuring and supplying the service. The transmission customer will be responsible for the transmission needed to deliver the service purchased.

No changes are being proposed to the formula rate for Supplemental Service.

VI. Project Descriptions

Parker-Davis Project

The P-DP was formed by consolidating two projects, Parker Dam and Davis Dam, under terms of the Act of May 28, 1954. Davis Dam, on the Colorado River 67 miles (107.8 km) below Hoover Dam, created Lake Mohave. The project was authorized under the Reclamation Project Act of 1939. Construction began in 1941, but due to delays caused by World War II, it was not completed until 1953. Davis Dam has a storage capacity of 1.8 million acre-feet. The Bureau of Reclamation increased the five generation units' operating capacity from 232,000 kilowatts to 255,000 kW by rewinding Generator Unit No. 1.

Parker Dam, which created Lake Havasu 155 miles (250 km) below Hoover Dam on the Colorado River, was authorized by the Rivers and Harbors Act of Aug. 30, 1935. The Bureau of Reclamation constructed the project partly with funds advanced by the Metropolitan Water District of Southern California, which now diverts nearly 1.2 million acre-feet each year by pumping it from Lake Havasu. The Cooperative Contract for Construction and Operation of Parker Dam was agreed to in 1933. MWD receives half of the capacity and energy from four generating units. The 50-percent federal share of Parker power plant capacity, as determined by the Bureau of Reclamation, is 60,000 kW.

The P-DP is currently marketed to customers in southern Nevada, Arizona and southern California, and it supplies the electrical needs of more than 300,000 people. The project includes 1,541 circuit-miles of high-voltage transmission lines in Arizona, southern Nevada and along the Colorado River in southern California.

Currently, the marketed P-DP resource, excluding priority-use power, provide for 221,705 kW of capacity in the winter season and 283,676 kW capacity in the summer season. Customers receive 1,703 kWh (winter season) and 3,441 kWh (summer season) of energy with each kW of capacity. Excluding project use, total marketable energy is 393 million kWh (winter season) and 1032 million kWh (summer season).

A portion of the resource marketed is reserved for priority use, but is not presently needed. This portion; 9,460 kW of capacity and associated energy in the winter season and 16,030 kW of capacity and associated energy in the summer season; is withdrawable from existing customers upon two years' written notice.

Pacific Northwest-Pacific Southwest Intertie Project

The Intertie was authorized by Section 8 of the Pacific Northwest Power Marketing Act of Aug. 31, 1964. Originally, the Intertie was to be a combined alternate-current (AC) and direct-current (DC) transmission system, intended to connect the Pacific Northwest with the Desert Southwest. As authorized, the overall project was to be a cooperative construction venture between federal and non-federal entities.

Due to delays in construction funding, certain line segments were postponed so much that interest from potential users waned. These events resulted in the delay of AC line construction and the indefinite delay of DC line construction. Consequently, the facilities that were constructed provide only AC transmission service.

Western's portion of the Intertie consists of two parts, a northern portion and a southern portion. The northern portion is administered by Western's Sierra Nevada region and is incorporated, for repayment and operation, with the Central Valley Project. The southern portion is administered by Western's DSW and is treated as a separate, stand-alone project for repayment and operational purposes. It consists of a 238-mile, 345-kV line from Mead Substation in Nevada to Liberty Substation in Arizona; a 19-mile, 230-kV line from Liberty to Westwing Substation in Arizona; a 22-mile, 230-kV line from Westwing to Pinnacle Peak Substation in Arizona; and two segments that came online in April 1996: the 260-mile, 500-kV Mead-to-Phoenix AC line between Marketplace Substation in Nevada and Perkins Substation in Arizona and the 202-mile, 500-kV Mead-to-Adelanto AC line between Marketplace and the existing Adelanto Substation in southern California.

Central Arizona Project

CAP is one of three related water development projects that make up the Colorado River Basin Project. Congress authorized the CAP in 1968 to improve water resources in the Colorado River Basin. Segments of the 1968 authorization allowed Federal participation in the Navajo Generating Station, which has three coal-fired steam electric generating units for a combined capacity of 2.25 million kW. Construction of the plant, located near Lake Powell at Page, Arizona, began in 1970. Navajo began generating in 1976.

The Federal share of 24.3 percent, or 546,750 kW, is used to power pumps that move Colorado River water through CAP canals. Power that is surplus to CAP pumping requirements and any needs for de-salting and protecting pumping facilities is currently marketed under the Navajo Power Marketing Plan adopted on December 1, 1987.

On Oct. 1, 2012, CAP moved into WALC. DSW schedules and operates the federal share of Navajo Generating Station used to serve CAP pumping loads and markets the remaining energy as Navajo Surplus. The amount of capacity and energy marketed varies monthly depending on an annual determination of CAP energy requirements for pumping.

VII. Rate Adjustment Procedures

Public Process

The formal Public Consultation and Comment Period began with the publication of the Federal Register notice on February 3, 2016, and will end 90 days later, on May 3, 2016. A Public Information Forum and a Public Comment Forum will be held in which interested parties may consult with and obtain information from Western-DSW representatives about the rate proposals.

The Public Information Forum will be held at the following time and location:

March 30, 2016, at 10:00 a.m. MST
Western Area Power Administration
Desert Southwest Regional Office
615 South 43rd Avenue
Phoenix, AZ 85009

During the Public Information Forum, Western-DSW representatives will explain the need for the Proposed Rate adjustment and answer questions. Questions not answered at the Public Information Forum will be answered in writing at least 15 days before the end of the Consultation and Comment Period.

The Public Comment Forum will be held at the following time and location:

March 30, 2016, at 1:00 p.m. MST
Western Area Power Administration
Desert Southwest Regional Office
615 South 43rd Avenue
Phoenix, AZ 85009

At the Public Comment Forum, interested persons may submit written or oral comments. The Public Information Forum and the Public Comment Forum will be recorded and transcribed. Copies of the transcript will be available for purchase.

All interested parties may submit written comments at any time during the Consultation and Comment Period. All comments must be received by Western-DSW by the end of the comment period to be considered in the decision process. Written comments should be sent to:

Mr. Ronald E. Moulton
Senior Vice President & Regional Manager
Desert Southwest Region
Western Area Power Administration

P.O. Box 6457
Phoenix, AZ 85005

For further information, please contact:

Mr. Scott Lund
Rates Manager
Desert Southwest Region
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Revision and/or Finalization of Proposed Formula Rates

After the Consultation and Comment Period has expired and Western has conducted a thorough review of oral and written comments, Western-DSW may revise the Proposed Formula Rates. If Western's Administrator decides that further public comment on the revised Proposed Formula Rates should be solicited, a second consultation and comment period may be initiated. In that event, one or more additional meetings will be convened.

Deputy Secretary's Confirmation of Provisional Formula Rates

Following the end of the Consultation and Comment Period, Western-DSW will finalize development of the Proposed Formula Rates. Western will request that the Deputy Secretary confirm, approve, and place these formula rates in effect on a provisional basis. The decision and an explanation of the principal factors leading to the decision will be announced in the Federal Register. Western-DSW proposes to place the proposed formula rates into effect on October 1, 2016.

FERC's Approval of the Formula Rates

The Deputy Secretary will submit all information concerning the provisional rates to FERC and request approval of the methodologies used in their development. FERC may then confirm and approve the submittal, remand it to Western, or disapprove the submittal.

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), Western-DSW is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.